

05-21-2001

Form PTO-1595

(Rev. 03/01)

OMB No. 0651-0027 (exp. 5/31/2002)

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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

Vito, Robert A.

Additional name(s) of conveying party(ies) attached? ☐ Yes ☐ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
- ☒ Security Agreement ☐ Change of Name
- ☐ Other _____

Execution Date: May 9, 2001

2. Name and address of receiving party(ies)

Name: LaSalle Bank National Association

Internal Address: _____

Street Address: 135 S. LaSalle StreetCity: Chicago State: IL Zip: 60603Additional name(s) & address(es) attached? ☐ Yes ☐ No

4. Application number(s) or patent number(s):

If this document is being filed together with a new application, the execution date of the application is: _____

A. Patent Application No.(s) 09/772,18109/783,774; 09/793,836; 09/808,882; PCTUS00/06

B. Patent No.(s)

5,870,912; 5,881,587; 6,089,055; 6,192,724Additional numbers attached? ☐ Yes ☐ No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: Sean Fox

Internal Address: _____

Street Address: LaSalle Bank NA515 East Townline RoadCity: Vernon Hills State: IL Zip: 600616. Total number of applications and patents involved: 97. Total fee (37 CFR 3.41).....\$ 360.00☒ Enclosed☐ Authorized to be charged to deposit account

8. Deposit account number:

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.

*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*Robert A. Vito

Name of Person Signing

Signature

May 9, 2001

Date

Total number of pages including cover sheet, attachments, and documents: 14

Mail documents to be recorded with required cover sheet information to:

Commissioner of Patents & Trademarks, Box Assignments
Washington, D.C. 20231

05/13/2001 DTYRNE

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PATENT
REEL: 011806 FRAME: 0087

PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT

(Vito)

THIS PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT (this "Security Agreement") made as of May 9, 2001, by **ROBERT A. VITO** ("Vito"), in favor of **LASALLE BANK NATIONAL ASSOCIATION**, a national banking association ("Lender") has reference to the following:

WHEREAS, by virtue of that certain Exclusive Patent License Agreement dated December 28, 1998 between Lawman Armor Corporation, a Pennsylvania corporation ("Borrower") and Vito (the "AutoLock License"), Borrower is the exclusive world-wide licensee of certain patents and other intellectual property identified on EXHIBIT A hereto (the "AutoLock Patents"), all of which patents and intellectual property are owned by Vito.

WHEREAS, Vito is an officer, director and shareholder of the Borrower. Borrower and Lender are parties to a certain Loan and Security Agreement of even date herewith (said Loan and Security Agreement, as hereafter may be amended, modified and/or restated from time to time shall hereinafter be referred to as the "Loan Agreement"), which Loan Agreement provides: (i) for Lender to extend credit to or for the account of Borrower (the "Loans"); and (ii) for the grant by Borrower to Lender of a security interest in all of Borrower's assets, including, without limitation, any patents, patent applications, trademarks, trademark applications, trade names, service marks, service mark applications, goodwill and licenses;

WHEREAS, Vito is the owner of certain patents and patent rights and other related assets described herein which Vito licenses to Borrower pursuant to the AutoLock License for use in Borrower's business and Vito has agreed to grant Lender a security interest and lien against said patents, patent rights and other related assets to further secure the repayment of the "Liabilities" (as defined in the Loan Agreement).

WHEREAS, Vito acknowledges that Lender would not extend credit to Borrower unless it received the security interest and lien against Vito's patents, patent rights and other related assets and Lender's entry into the Loan Agreement is conditioned upon Vito's agreement and compliance with the terms of this Security Agreement.

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Vito agrees as follows:

1. **Loan Agreement.** Regardless of the fact that Vito is not a party to the Loan Agreement, Vito acknowledges that he has read the Loan Agreement (and the other documents referenced therein) and is familiar with all of its definitions, terms and provisions thereof. All capitalized terms which are used but not defined herein shall have the meanings ascribed to them in the Loan Agreement. To the extent that there is any inconsistency between the terms of this

Security Agreement and the terms of the Loan Agreement, the terms of this Security Agreement will govern and be controlling.

2. **Security Interest in Patents, Trademarks and Licenses.** To secure the complete and timely payment of all of the Liabilities, Vito hereby grants and creates a security interest in and conveys to Lender, as and by way of a first security interest having priority over all other security interests (except for the Permitted Patent Liens), with power of sale, to the extent permitted by law and upon and subject to the occurrence of an Event of Default , all of Vito's right, title and interest in and to all of his now existing and hereafter created or acquired:

(a) All right title and interest in any patents and patent applications relating to Borrower's business or assets, including, without limitation, the inventions and improvements described and claimed therein, and those patents listed on EXHIBIT A attached hereto and hereby made a part hereof, and:

- (i) the reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof;
- (ii) all income, damages and payments now and hereafter due or payable under or with respect thereto, including, without limitation, damages and payments for past or future infringements thereof;
- (iii) the right to sue for past, present and future infringements thereof;
- (iv) the goodwill of Vito's business connected with, and symbolized by, the Patents (hereinafter defined); and
- (v) all rights corresponding thereto throughout the world

(all of the foregoing patents and applications, together with the items described in this Subsection 2(a) are sometimes hereinafter referred to individually as a "Patent" and, collectively, as the "Patents");

(b) all trademarks, trademark registrations, trademark applications, trade names, service marks, service mark registrations and service mark applications relating to Borrower's business or assets (if any), including, without limitation, the trademarks, trade names, service marks and applications and registrations thereof listed on EXHIBIT B attached hereto and hereby made a part hereof, and:

- (i) renewals or extensions, thereof;
- (ii) all income, damages and payments now and hereafter due or payable with respect thereto, including, without limitation, damages and payments for past or future infringements thereof;

- (iii) the right to sue for past, present and future infringements thereof;
- (iv) the goodwill of Vito's business connected with, and symbolized by, the Trademarks (hereinafter defined); and
- (v) all rights corresponding thereto throughout the world

(all of the foregoing trademarks, trade names, service marks and applications and registrations thereof, together with the items described in Subsection 2(b) are sometimes hereinafter referred to individually as a "Trademark" and, collectively, as the "Trademarks");

(c) all license agreements with respect to any of the Patents or the Trademarks or any other patent, trademark, service mark or any application or registration thereof or any other trade name between Vito and any other party, whether Vito is a licensor or licensee under any such license agreement (all of the foregoing license agreements and Vito's rights thereunder are hereinafter referred to collectively as the "Licenses") and the goodwill of Vito's business connected with, and symbolized by, the Licenses.

Lender hereby acknowledges that Vito does not currently own any Trademarks relating to Borrower's business and the Patents which Vito does own and any other intellectual property related thereto are subject to the terms of the AutoLock License. Vito, by his execution of this Agreement, hereby consents to the grant of the security interest to Lender in and to the Patents, Trademarks and other intellectual property covered hereby and under that certain Patent, Trademark and License Security Agreement of even date herewith between Lender and Borrower (the "Borrower P/T Security Agreement"). Vito hereby specifically represents and warrants that, by virtue of such consent, the liens created by the Borrower P/T Security Agreement shall not constitute a default under and are permitted pursuant to the AutoLock License.

3. **Warranties and Representations.** Vito warrants and represents to Lender that:

(a) The Patents and Trademarks (except for all applications relating to each of the foregoing) and the Licenses have not been adjudged invalid or unenforceable and have not been canceled, in whole or in part, and are presently subsisting;

(b) To the best of Vito's knowledge, each of the Patents, Trademarks and Licenses is valid and enforceable; provided, however, that Vito makes no representation or warranty with respect to any future judgment, order or decree issued by a court or other tribunal in the event of any action or contest relating to the Patents, Trademarks or Licenses).

(c) Except for the AutoLock License in favor of Borrower, Vito is the sole and exclusive owner of the entire right, title and interest in and to each of the Patents, Trademarks and Licenses, free and clear of any liens, charges and encumbrances (except for the Permitted Liens);

(d) Except for the Pending Litigation, Vito is not a party to any lawsuit and has no notice of any suits or actions commenced or threatened with reference to the Patents, Trademarks or Licenses;

(e) this Security Agreement is a valid and legally binding obligation of Vito and is enforceable against Vito in accordance with its terms (except to the extent the same may be limited by bankruptcy, insolvency, reorganization, moratorium, or other laws affecting generally the enforcement of creditors' rights and by general principles of equity) and the execution and delivery of this Security Agreement is not in violation of any agreement or court order by which Vito is bound; and

(f) Vito acknowledges that, pursuant to the Borrower P/T Security Agreement, Borrower is obligated to purchase and maintain patent abatement and infringement insurance for the benefit of Lender. In the event that Borrower fails to do so, then Vito (at his expense) hereby agrees to provide such insurance on the terms set forth in the Borrower P/T Security Agreement.

4. **Restrictions on Future Agreements.** Vito agrees that until the Liabilities shall have been paid in full, Vito shall not sell, assign or encumber his interest in, or grant any license under, the Patents, Trademarks or Licenses (except for Licenses in favor of Borrower and to the extent otherwise permitted under the Loan Documents, including the Permitted Liens) without the prior written consent of Lender. Vito further agrees that he shall not take any action, or permit any action to be taken by others subject to his control, including licensees, or fail to take any action, which would affect the validity or enforcement of the security interest granted to Lender under this Security Agreement

5. **New Patents, Trademarks and Licenses.** Vito represents and warrants that, to the best of Vito's knowledge, the Patents and Trademarks listed on EXHIBIT A and EXHIBIT B, respectively, constitute all of the Patents and Trademarks now owned by or licensed to Vito. If, before the Liabilities shall have been paid in full, Vito shall (a) become aware of any existing Patents, Trademarks or Licenses of which Vito has not previously informed Lender, (b) obtain rights to any new patentable inventions, Patents, Trademarks or Licenses relating to Borrower's business, or (c) become entitled to the benefit of any Patents, Trademarks, or Licenses or any improvement on any Patent relating to Borrower's business, the provisions of this Security Agreement shall automatically apply thereto and Vito shall give to Lender prompt written notice thereof. Vito hereby authorizes Lender to modify this Security Agreement by amending EXHIBIT A and EXHIBIT B, as applicable, to include any such Patents and Trademarks.

6. **Royalties; Terms.** The term of the security interests and liens granted herein shall remain in effect until the earlier of: (a) the expiration of each of the respective Patents, Trademarks and Licenses; or (b) date on which the Liabilities have been paid in full and all commitments of Lender under the Loan Agreement to lend to Borrower shall have terminated. Upon the occurrence of an Event of Default, Vito agrees that the use by Lender of all Patents, Trademarks and Licenses shall be worldwide and without any liability for royalties or other related charges from Lender to Vito.

7. **Lender's Right to Inspect.** Vito also agrees to furnish such other data and information (financial and otherwise) in Vito's possession or which Vito can obtain with reasonable effort (and with reasonable expense) as Lender may reasonably request from time to time relating to the Patents, Trademarks or Licenses. Lender shall have the right, at any time and from time to time during normal business hours and upon reasonable advance notice (provided no Event of Default shall have occurred) prior to payment in full of the Liabilities, to inspect Vito's books, records and operations relating to the Patents, Trademarks and Licenses. Upon the occurrence of an Event of Default, Vito agrees that Lender, or an agent appointed by Lender, shall have the right to establish such product quality controls as Lender, or said agent, in its sole judgment, may deem necessary to assure maintenance of the quality of products sold, leased or licensed by Vito under the Trademarks.

8. **Release of Security Agreement.** This Security Agreement is made for collateral purposes only. Upon payment in full of the Liabilities and the termination of all commitments by Lender under the Loan Agreement to lend to Borrower, the security interest granted to Lender hereunder shall automatically and without further notice or action, terminate and Lender shall execute and deliver to Vito all deeds, assignments and other instruments (including, without limitation, all UCC-3 Termination Statements), and shall take such other actions, as may be necessary or proper to terminate such security interest and revert in Vito full title to the Patents, Trademarks and Licenses, subject to any disposition thereof which may have been made by Lender pursuant hereto or pursuant to the Loan Agreement.

9. **Expenses.** All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Vito. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and costs, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices which are required to perfect the security interest granted to Lender, the payment or discharge of any taxes, counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Patents, Trademarks and Licenses, or in defending or prosecuting any actions or proceedings arising out of or related to the Patents, Trademarks and Licenses, shall be borne by and paid by Vito on demand by Lender.

10. **Duties of Vito.** Except as otherwise required of Borrower as provided under the AutoLock License, Vito shall have the duty (a) to prosecute diligently any patent, trademark or service mark applications relating to Borrower's business which are pending as of the date hereof or thereafter until the Liabilities shall have been paid in full and (b) to use his best efforts to preserve and maintain all rights in the Patents, Trademarks and Licenses consistent with the provisions of the AutoLock License. Any expenses incurred in connection with Vito's obligations under this Section 10 shall be borne by Vito. Vito shall not abandon any Patent, Trademark or License relating to Borrower's business without the consent of Lender and may only abandon pending applications for the same (without Lender's consent) if such is commercially reasonable or is otherwise advisable given the circumstances.

11. **Lender's Right to Sue.** Upon and subject to an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Patents, Trademarks and Licenses, and, if Lender shall commence any such suit, Vito shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in aid of such enforcement and Vito shall promptly, upon demand, reimburse and indemnify Lender for all reasonable costs and expenses incurred by Lender in the exercise of its rights under this Section 11.

12. **Waivers.** No course of dealing between Vito and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Vito or Lender, any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. **Severability.** The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

14. **Modification.** This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. **Default; Remedies; Power of Attorney; Etc.** (a) The occurrence of any one or more of the following events will constitute an, "Event of Default" under this Security Agreement: (i) an Event of Default under the Loan Agreement which is not cured within any applicable notice, cure or grace period; (ii) if Vito fails or neglects to perform or observe any provision, condition, covenant, warranty or representation contained in this Security Agreement, and Vito shall fail to remedy such within 30 days of being served with written notice from Lender; (iii) if a petition under Title 11, United States Code or any similar law or regulation shall be filed by Vito, or if Vito shall make an assignment for the benefit of his creditors; (iv) if a petition under Title 11, United States Code or any similar law or regulation shall be filed against Vito and such proceeding shall not be dismissed, stayed or bonded in an amount reasonably satisfactory to Lender within 60 days of its filing, during which time Vito shall be diligently contesting such action or proceeding; or (v) the termination or judicial invalidation of the Patents, Trademarks or Licenses.

(b) All of Lender's rights and remedies with respect to the Patents, Trademarks and Licenses, established hereby or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Upon the occurrence of an Event of Default and subject to the provisions of subsection (c), below, Vito hereby authorizes Lender to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Vito's true and lawful attorney-in-fact, with power to: (i) endorse Vito's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Patents, Trademarks

and Licenses; (ii) take any other actions with respect to the Patents, Trademarks and Licenses as Lender deems to be in the best interest of Lender; (iii) grant or issue any exclusive or non-exclusive license under the Patents, Trademarks or Licenses to anyone; or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Patents, Trademarks or Licenses to anyone. Vito hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Liabilities shall have been paid in full and all commitments by Lender under the Loan Agreement to lend to Borrower have been terminated. Vito acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Loan Agreement but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Loan Agreement, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code.

(c) Notwithstanding anything to the contrary contained in Section 15(b), above, upon an Event of Default, Vito shall have the right, within ninety (90) days after the occurrence thereof, to pay off the full amount (and only the full amount) of the Liabilities and redeem the Patents from the security interest and liens created hereby. During said 90 day period Lender shall not sell the Patents at any public or private sale pursuant to its rights hereunder or under applicable law. Notwithstanding the foregoing, Lender may proceed to serve required notices, advertise for sale and take any and all other actions authorized hereunder with respect to the Patents, Trademarks and Licenses (except for the actual public or private sale of the Patents) during said 90 day redemption period. Immediately upon the expiration of the 90 day redemption period and provided that Vito shall not have redeemed the Patents as provided for above, then Lender may immediately proceed to sell the Patents pursuant to its rights hereunder without any further notice to Vito or any other person. The redemption period provided for herein shall run concurrently with (and shall not be in addition to or successive with) any redemption period provided for under the Borrower P/T Security Agreement, it being intended that Vito and Borrower shall have one 90 day period for redemption following an Event of Default.

(d) Lender shall apply the proceeds realized from the enforcement of its security interests and lien created by this Agreement in conformity with the provisions of Section 5(d) of the Revolving Note. In the event that, after payment in full of all Liabilities, any excess remains, such excess shall be paid to Borrower. If requested in writing by Vito, Lender will provide Vito with a written accounting of the receipt and disposition of all such proceeds after Lender's application thereof.

16. **Binding Effect; Benefits.** This Security Agreement shall be binding upon and inure to the benefit of Vito and Lender and their respective successors and assigns. Vito shall not assign this Security Agreement without the prior written consent of Lender.

17. **Governing Law.** This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

18. **Headings.** Section headings used herein are for convenience only and shall not modify the provisions which they precede.

19. **Further Assurances.** Vito and Lender agree to execute and deliver such further agreements, instruments and documents (including all UCC Statements and filings required by the United States Patent and Trademark Office), and to perform such further acts, as Lender or Vito shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and the agreements set forth herein.

20. **Notices.** Whenever a notice is required or permitted to be given under this Security Agreement, it shall be in writing and either: (a) delivered personally; (b) sent by nationally recognized over-night mail carrier; or (c) sent via certified mail, return receipt requested. Notice sent via certified mail shall be deemed given 5 business days after such notice is sent. Notice served by hand delivery or nationally recognized over-night mail carrier shall be deemed served on the day delivered. Notice shall be delivered or sent to the address of the party set forth next to their signature hereto unless either party gives notice to the other of a change in such address.

21. **Consent to Jurisdiction.** TO INDUCE LENDER TO ACCEPT THIS SECURITY AGREEMENT, VITO IRREVOCABLY AGREES THAT, SUBJECT TO LENDER'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS SECURITY AGREEMENT WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. VITO HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO, ILLINOIS, WAIVES PERSONAL SERVICE OF PROCESS UPON VITO, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED OR REGISTERED MAIL RETURN RECEIPT REQUESTED TO VITO AT THE ADDRESS STATED IN THIS SECURITY AGREEMENT AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

22. **Waiver of Jury Trial.** VITO AND LENDER (BY ACCEPTANCE OF THIS SECURITY AGREEMENT), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS SECURITY AGREEMENT OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS SECURITY AGREEMENT OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS SECURITY AGREEMENT, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. VITO AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST LENDER ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES EXCEPT FOR ANY SUCH CLAIM BASED UPON LENDER'S INTENTIONAL OR WILLFUL WRONGDOING OR GROSS NEGLIGENCE.

23. **Agreements Regarding Hypothecation.** In order to induce Lender to make the Loans, Vito hereby represents and warrants to and agrees with Lender as follows:

(a) The Patents, Trademarks and Licenses have been mortgaged and pledged to Lender as security for the repayment of the Loans to Borrower from Lender under the Loan Agreement. Even though Vito is not responsible for the repayment of the Loans, Vito acknowledges that the Patents, Trademarks and Licenses may be used, liquidated, licensed, sold, assigned or otherwise dealt with in order to repay the Loans upon the occurrence of an Event of Default under the Loan Agreement, subject to the provisions of Section 15(c) hereof (as well as the similar applicable provisions of the Borrower P/T Security Agreement).

(b) Vito has read this Security Agreement and has been represented by an attorney in the preparation, negotiation and execution of this Security Agreement. Vito has been fully informed of the consequences of executing this Security Agreement and granting a security interest in the Patents, Trademarks and Licenses as security for the Loans. Vito has entered into this Security Agreement of his own free will in order to induce Lender to make the Loans to Borrower. Notwithstanding any provision in this Agreement or the other Loan Documents to the contrary, under no circumstances will Vito have any personal liability under this Agreement or under the Loan Documents.

(c) Lender has relied on Vito's agreements contained herein in deciding to make the Loans to Borrower.

(d) Vito waives any and all right to assert against Lender any claims or defenses based upon: (i) any failure of Lender to furnish to Vito any information or facts relating to the ability of Borrower to re-pay the Loans; and (ii) all other defenses, counterclaims and offsets of any kind or nature in connection with the validity and/or enforceability of the Loan Agreement or this Security Agreement, including, without limitation: (A) those arising directly or indirectly from the perfection, sufficiency, validity and/or enforceability of any security interest granted by Borrower or Vito to Lender; (B) those based upon the failure or adequacy of consideration and (C) all suretyship defenses or defenses in the nature thereof.

(e) Except to the extent otherwise required hereunder, Vito further waives all notices to the full extent allowed under law, including notice of the following: (i) presentment, demand, notices of default, nonpayment, partial payment and protest, and all other notices or formalities to which Borrower or Vito may be entitled; (ii) Borrower's heretofore, now or from time to time hereafter granting to Lender security interests, liens or encumbrances in any of Borrower's assets; (iii) Lender's heretofore, now or from time to time hereafter doing any of the following: (A) loaning monies or extending credit to or for the benefit of Borrower, whether pursuant to the Loan Agreement or any amendments, modifications, additions or substitutions thereto; (B) substituting for, releasing, waiving or modifying any security interests, liens or encumbrances which secure the repayment of the Loans; (C) granting to Borrower of any indulgences or extensions of time of payment or performance of Borrower's liabilities under the Loan Documents.

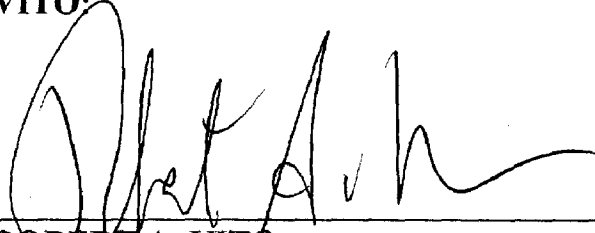
(f) Vito further waives any right or claim to: (i) indemnification, reimbursement, contribution, or payment for or with respect to any and all amounts Vito may pay Lender pursuant to this Security Agreement and any obligations which Vito may perform or discharge under this Security Agreement or (ii) subrogation and Vito further waives any defense based upon an election of remedies by Lender which destroys or otherwise impairs any of Vito's subrogation rights.

IN WITNESS WHEREOF, Vito has duly executed this Security Agreement in favor of Lender as of the date first written above.

Address:

c/o Lawman Armor Corporation
1434 Sugartown Road
Berwyn, Pennsylvania 19312

VITO:



ROBERT A. VITO

Address:

135 South LaSalle
Chicago, Illinois 60603
Attn: Sean Fox

LENDER:

LASALLE BANK NATIONAL
ASSOCIATION

By:



Name:

SEAN D. FOX

Title:

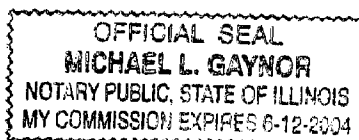
ASSISTANT VICE PRESIDENT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, MICHAEL L. GAYNOR, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that **ROBERT A. VITO** personally are known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 7th day of May, 2001.

Michael L. Gaynor
NOTARY PUBLIC

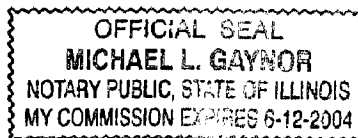


STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, MICHAEL L. GAYNOR, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that SEAN D. FOX, a ASST. VICE PRESIDENT of **LASALLE BANK NATIONAL ASSOCIATION** personally are known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 7th day of May, 2001.

Michael L. Gaynor
NOTARY PUBLIC



**EXHIBIT A
TO
PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT**

Patents

<u>Country</u>	<u>Patent No.</u>	<u>Inventors</u>	<u>Appl. No.</u>	<u>Filed</u>	<u>Patent Date</u>
Australia	N/A	Vito	79706/98	06/17/98	N/A
Brazil	N/A	Vito	PI9812740-3	06/17/98	N/A
Canada	N/A	Vito	2306142	06/17/98	N/A
China	N/A	Vito	98810017.7	06/17/98	N/A
EPO	N/A	Vito	98930282.3	06/17/98	N/A
Israel	N/A	Vito	N/A	06/17/98	N/A
Japan	N/A	Vito	2000-516165	06/17/98	N/A
North Korea	N/A	Vito	00-1067	06/17/98	N/A
South Korea	N/A	Vito	2000-7003869	06/17/98	N/A
Mexico	N/A	Vito	003473	06/17/98	N/A
New Zealand	N/A	Vito	503369	06/17/98	N/A
Poland	N/A	Vito	P-339758	06/17/98	N/A
Singapore	N/A	Vito	200001380-5	06/17/98	N/A
Turkey	N/A	Vito	2000/00947	06/17/98	N/A
Taiwan	N/A	Vito	87109196	06/10/98	N/A
U.S.	5,870,912	Vito	08/949,009	10/10/97	02/16/99
U.S.	5,881,587	Vito	09/004,666	01/08/98	03/16/99
U.S.	6,089,055	Vito	09/268,803	03/16/99	07/18/00
U.S.	6,192,724	Vito	09/495,098	02/01/00	02/27/01
U.S.	N/A	Vito	09/772,181	01/29/01	N/A
U.S.	N/A	Vito	09/783,774	02/15/01	N/A
U.S.	N/A	Vito	09/793,836	02/27/01	N/A
U.S.	N/A	Vito	09/808,882	01/08/98	N/A
U.S.	N/A	Vito	S20000429	06/17/98	N/A
U.S.	N/A	Vito	PCT/US00/06923	03/16/00	N/A

Vito = Robert A. Vito

**EXHIBIT B
TO
PATENT, TRADEMARK AND LICENSE SECURITY AGREEMENT**

Trademarks, Trade Names and Services Marks

NONE

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